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March 5, 1993

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(MAR 5 1993)

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

William A. Blase, Jr.  
Director  
Federal Regulatory

Ex Parte

Ms. Donna Searcy, Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222 (1170)  
Washington, D.C. 20554

Re: CC Docket No. 92-77, Phase I and II

Dear Ms. Searcy:

In accordance with Commission rules governing ex parte presentations, please be advised that, today, Don Little, Mark Schwarz and the undersigned met with Madelon Kuchera, Special Advisor to Commissioner Barrett regarding issues associated with the docket listed above. Attached is a handout provided in the meeting.

If you have any questions, please let me know.

Sincerely,

*William A. Blase, Jr.*

Attachment

cc: Madelon Kuchera      Barbara Esbin  
Colleen Boothby      Mark Nadel  
Gary Phillips

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**SOUTHWESTERN BELL TELEPHONE COMPANY**

FCC Ex-Parte

CC Docket No. 92-77

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## **CC DOCKET 92-77 TOPICS:**

### **Billed Party Preference (92-77 - Phase II)**

- Service Description
- Service Benefits
- Service Design
- IXC Participation
- Implementation Costs
- Cost Recovery
- Implementation Intervals

### **0+ Public Domain (92-77 - Phase I)**

- Commission Decisions
- Impacts
- SWBT PFR

## **BPP SERVICE DESCRIPTION**

BPP is a service concept which would replace presubscription routing as the means for providing equal access on interLATA calls dialed 0+ and 0-.

BPP would apply in the following manner:

- All service providers (BOCs, ITCs, IXC, COCOTs, CAPs, etc.)
- All originating station types (bus/res/coin/hotel/etc.)
- All 0+ and 0- interLATA calls
- All end offices (equal access and non-equal access)
- All alternate billing types (collect, third number, calling cards/commercial credit cards)

## **BPP SERVICE BENEFITS**

- **ADDRESSES CUSTOMER SERVICE ISSUES**
  - **Dialing convenience**
  - **Billed (paying) party determines IXC**
  - **Originating customer chooses billing mechanism**
  - **IXC/OSP rates**
  - **IXC/OSP practices**
- **ACCOMPLISHES THE STATED GOALS OF THE COMMISSION**
  - **"free customers from charges they did not agree to"**
  - **"free customers from practices that prevent them from using the Operator Service Provider (OSP) of their choice"**

## **BPP SERVICE BENEFITS (Cont'd)**

- **ACCOMPLISHES THE STATED GOALS OF THE COMMISSION (Cont'd)**
  - "foster a marketplace environment in which operator service providers compete based on merits of their service, rather than on commission payments"
- **STIMULATES COMPETITION IN THE INTEREXCHANGE AND CALLING CARD MARKETS**
  - 0+ dialing will be extended to all IXC's--market place parity for network access and card usage
  - 0+ interLATA calling from all phones
  - Facilitates mutual card honoring arrangements between LECs and IXC's

## BPP SERVICE DESIGN

### Summary of Dialing Plan and Carrier ID

<u>Dial Code</u> (InterLATA Only)	<u>Destination</u>		
	<u>1+PIC</u>	<u>Dialed (xxx) IC</u>	<u>LEC</u> <u>OSS</u>
10XXX+1+		N	
10XXX+0(+or-)		N	
10XXX+01+		N	
10XXX+011+		N	
1+	N		
011+	N		
00-	N		
0+	C		B
0-			N <sup>1</sup>
01+	C		B

#### Legend:

N = No Change (Current & BPP)

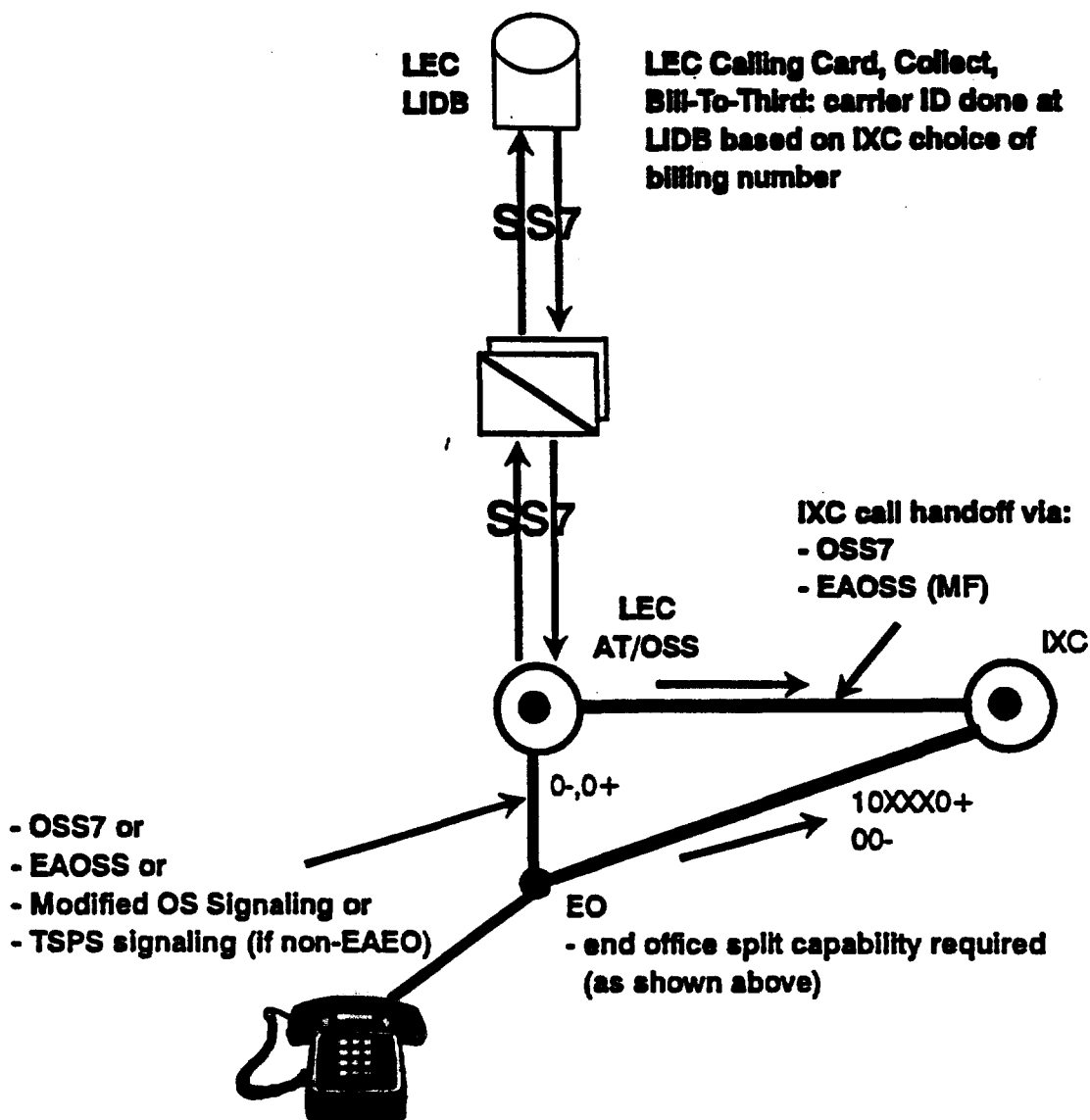
N<sup>1</sup> = No Change (Current & BPP) Except for  
"Redialed" 0- Traffic

C = Current

B = BPP

# BILLED PARTY PREFERENCE

FCC  
CC Docket No.  
92-77



## BPP Call Scenarios (InterLATA Calls):

LEC Calling Card: 0+10D <BONG> NPA-NXX-XXXX-PINN

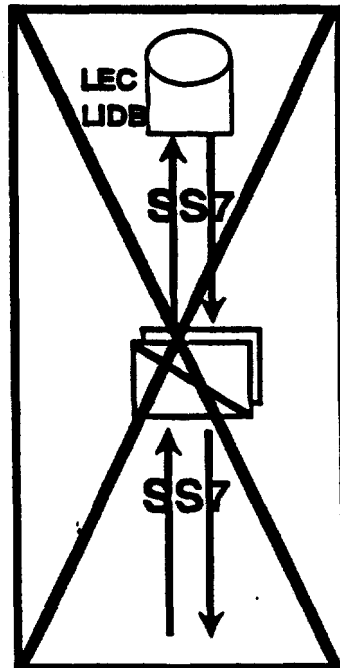
Collect: 0+10D <BONG> "collect billing information"

Bill-To-Third: 0+10D <BONG> "bill-to-third billing information"



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891 & CIID: carrier ID done at OSS based on instructions from IXC card issuer

- OSS7 or
- EAOSS or
- Modified OS Signaling or
- TSPS signaling (if non-EAEO)



LEC  
AT/OSS

0-,0+

EO

- end office split capability required  
(as shown above)

IXC call handoff via:

- OSS7
- EAOSS (MF)

IXC

10XXX0+  
00-

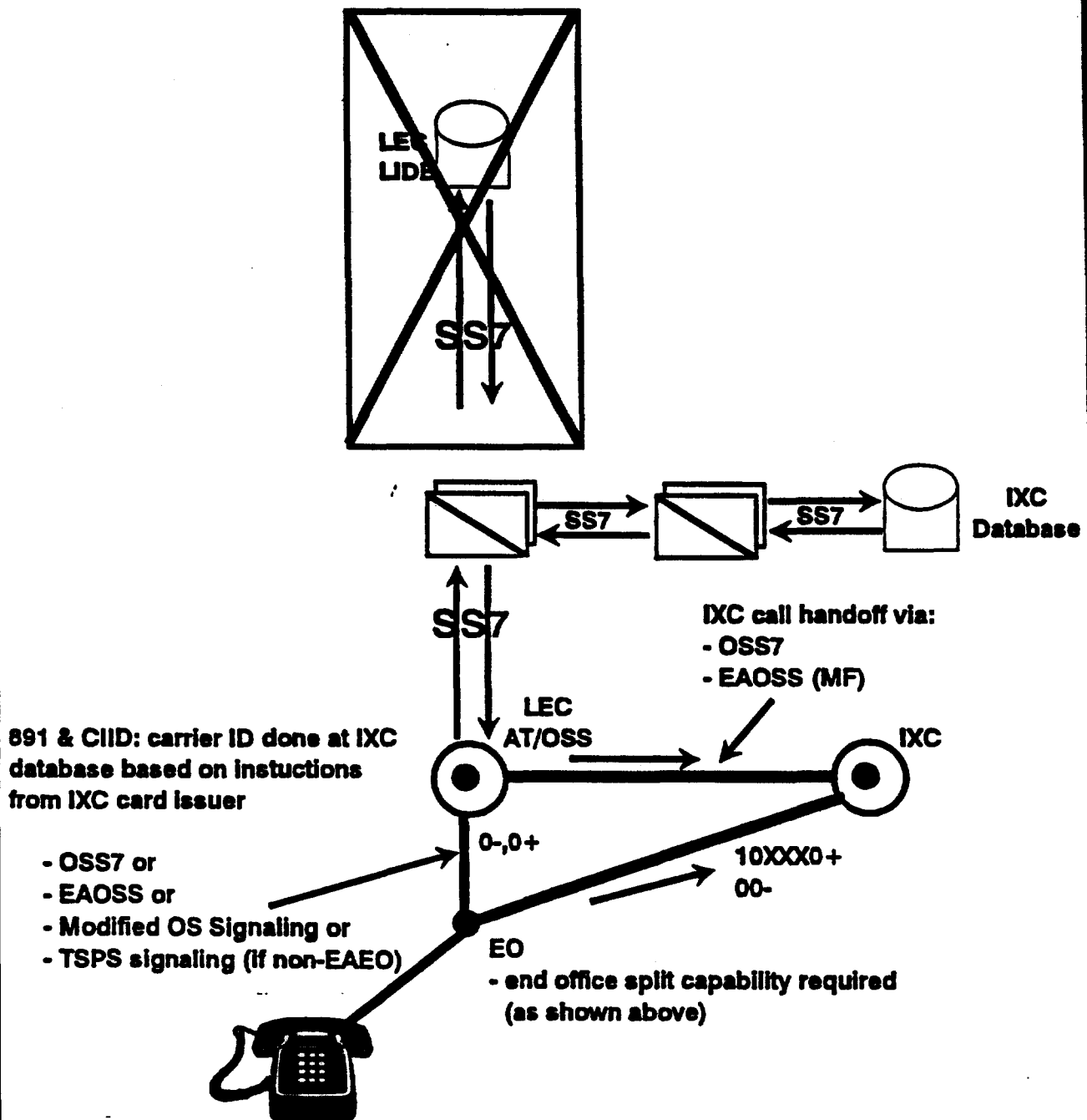
BPP Call Scenarios (InterLATA Calls):

891: 0+10D <BONG> 891-III-AAAAAAAAAA-L-PINN

CIID: 0+10D <BONG> NXX-0/1XX-XXXX-PINN

# BILLED PARTY PREFERENCE

FCC  
CC Docket No.  
92-77



## BPP Call Scenarios (InterLATA Calls):

891: 0+10D <BONG> 891-III-AAAAAAAAAAA-L-PINN  
CIID: 0+10D <BONG> NXX-0/1XX-XXXX-PINN

## **BPP IXC PARTICIPATION**

- **KEY SWBT ASSUMPTIONS**
  - **IXC ABS Calls Are 64% of Total ABS Market**
  - **IXC ABS Call Mix and Automation  
Acceptance Equal to SWBT Experience**
- **IXC REQUIREMENTS**
  - **Promote 0+ Dialing**
  - **Issue Cards in CIID or 891 Formats**
- **SWBT SENSITIVITY ANALYSIS**
  - **Declining % Access Code Dialing by all  
IXCs**
  - **Declining % Access Code Dialing by all  
IXCs except AT&T; AT&T Equal 20%**
  - **Declining % Access Code Dialing by all  
IXCs except AT&T; AT&T Equal 50%**

D. L. Little

## **BPP IMPLEMENTATION COSTS**

- **SWBT Estimates BPP Will Require \$161M to Implement for its Service Areas (SWBT Reply Comments August 27, 1992)**
  - **Primary Non-Recurring Capital Cost Components**
    - ▲ End-Office Signaling Upgrades
    - ▲ AABS System Changes
    - ▲ Trunk Terminations and Rearrangements
  - **Primary Non-Recurring Expense Cost Components**
    - ▲ LIDB Load
    - ▲ Customer Solicitation
    - ▲ End-Office Signaling Upgrades
    - ▲ OSS Signaling Upgrades
    - ▲ OSS BPP Feature Functionality
    - ▲ AABS System Changes
  - **Primary Recurring Expense Cost Component**
    - ▲ Operator Wages

## **BPP COST RECOVERY**

- IXC Service Participation is Critical
- Cost Recovery Structure Should Discourage Continued Access Code Dialing
- FCC has Indicated "New Service" Treatment
- Views of State Commissions are Needed

**BPP IMPLEMENTATION INTERVALS  
(STANDARD CASE)**

<u>Milestone/Activity</u>	<u>Projected Date</u>
FCC Order	7-1-93
	(18 months)
Vendor Trial (FOA/VO)	1-1-95
	(6 months)
Vendor General Availability	7-1-95
	(12 months)
Industry Implementation Complete	7-1-96
<hr/>	
Total "Standard Case" Months Required From FCC Order	36 Months

## **0+ PUBLIC DOMAIN (92-77 - PHASE I)**

- **DEFINITION**

- "any carrier issuing a calling card designed to be used with "0+" access would be required to also provide validation and billing service for any other carrier wishing to accept that card" (i.e., "0+" cards would be in the "public domain").

- **COMMISSION DECISIONS**

- Did not require 0+ Public Domain Implementation
- Ordered AT&T to instruct its card customers to dial calls using 10288+0 access

## **0+ PUBLIC DOMAIN (92-77 - PHASE I) (Cont'd)**

- **IMPACTS**

- Commission Actions Produce Same Effects as Implementation of 0+ Public Domain Without Requiring 0+ IXC Card Issuers To Make Data Available
- Customer Confusion
- Negative Impacts to Mutual Card Honoring Arrangements
- Customer Dissatisfaction/Confusion

- **SWBT PFR**

- Requests Commission to Modify its Instructions to AT&T Regarding Customer Education Materials
  - ▲ Telephone must not be presubscribed to AT&T in order to Bill Local and IntraLATA Calls to AT&T Cards
  - ▲ Customer Need Not Only Listen for "AT&T" in order to place Local and IntraLATA Calls